

UNITED STATES BANKRUPTCY COURT

SOUTHERN DISTRICT OF NEW YORK

In re:

Chapter 11 Case No.

Lehman Brothers Holdings Inc., et al.,

08-13555

Debtors.

SEPTEMBER 2012 POST-EFFECTIVE OPERATING REPORT

SEPTEMBER 2012

SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS

SCHEDULE OF PROFESSIONAL FEE AND EXPENSE DISBURSEMENTS

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REPORT PREPARER: LEHMAN BROTHERS HOLDINGS INC., AS PLAN ADMINISTRATOR

Date: October 30, 2012

Indicate if this is an amended statement by checking here: AMENDED STATEMENT ☐

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SCHEDULE OF DEBTORS

The following entities (the “Debtors”) filed for bankruptcy in the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”). On December 6, 2011, the Bankruptcy Court confirmed the Modified Third Amended Joint Chapter 11 Plan of Lehman Brothers Holdings Inc. and its Affiliated Debtors (the “Plan”). On March 6, 2012, the “Effective Date” (as defined in the Plan) occurred. The Debtors’ Chapter 11 cases remain open as of the date hereof.

	<u>Case No.</u>	<u>Date Filed</u>
Lehman Brothers Holdings Inc. (“LBHI”)	08-13555	9/15/2008
LB 745 LLC.....	08-13600	9/16/2008
PAMI Statler Arms LLC.....	08-13664	9/23/2008
Lehman Brothers Commodity Services Inc. (“LBCS”)	08-13885	10/3/2008
Lehman Brothers Special Financing Inc. (“LBSF”)	08-13888	10/3/2008
Lehman Brothers OTC Derivatives Inc. (“LOT”).....	08-13893	10/3/2008
Lehman Brothers Derivative Products Inc. (“LBDP”)	08-13899	10/5/2008
Lehman Commercial Paper Inc. (“LCPI”).....	08-13900	10/5/2008
Lehman Brothers Commercial Corporation (“LBCC”)	08-13901	10/5/2008
Lehman Brothers Financial Products Inc. (“LBFP”)	08-13902	10/5/2008
Lehman Scottish Finance L.P.	08-13904	10/5/2008
CES Aviation LLC	08-13905	10/5/2008
CES Aviation V LLC.....	08-13906	10/5/2008
CES Aviation IX LLC	08-13907	10/5/2008
East Dover Limited.....	08-13908	10/5/2008
Luxembourg Residential Properties Loan Finance S.a.r.l.....	09-10108	1/7/2009
BNC Mortgage LLC	09-10137	1/9/2009
LB Rose Ranch LLC	09-10560	2/9/2009
Structured Asset Securities Corporation.....	09-10558	2/9/2009
LB 2080 Kalakaua Owners LLC	09-12516	4/23/2009
Merit LLC	09-17331	12/14/2009
LB Somerset LLC.....	09-17503	12/22/2009
LB Preferred Somerset LLC.....	09-17505	12/22/2009

The Company has established an email address to receive questions from readers regarding this presentation. The Company plans to review questions received and for those subjects which the Company determines a response would not (i) violate a confidentiality provision, (ii) place the Company in a competitive or negotiation disadvantage, or (iii) be unduly burdensome, the Company shall endeavor to post a response (maintaining the anonymity of the question origination) on the Epiq website maintained for the Company, www.lehman-docket.com. The Company assumes no obligation to respond to e-mail inquiries. Please provide questions in clear language with document references, and email to QUESTIONS@lehmanholdings.com.

**LEHMAN BROTHERS HOLDINGS INC. ("LBHI") AND OTHER DEBTORS AND DEBTOR-
CONTROLLED ENTITIES**

**BASIS OF PRESENTATION
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
SEPTEMBER 1, 2012 – SEPTEMBER, 30 2012**

The information and data included in this September 2012 Post-Effective Operating Report (the "Operating Report") are derived from sources available to Lehman Brothers Holdings Inc. ("LBHI"), as Plan Administrator, and its Controlled Entities (collectively, the "Company"). The term "Controlled Entities" refers to those entities that are directly or indirectly controlled by LBHI, and excludes, among others, those entities that are under separate administrations in the United States or abroad and excludes Aurora Bank FSB, which is indirectly controlled by LBHI. LBHI and certain of its Controlled Entities had filed for protection under Chapter 11 of the Bankruptcy Code, and those entities are referred to herein as the "Debtors". The Debtors' Chapter 11 cases have been consolidated for procedural purposes only and are being jointly administered pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure. LBHI has prepared this Operating Report, which includes certain information as required by the Office of the US Trustee, based on the information available to LBHI at this time, but note that such information may be incomplete and may be materially deficient in certain respects. This Operating Report is not meant to be relied upon as a complete description of the Debtors, their business, condition (financial or otherwise), results of operations, prospects, assets or liabilities. LBHI reserves all rights to revise this report.

1. This Operating Report is not prepared in accordance with U.S. generally accepted accounting principles (GAAP), is not audited and will not be subject to audit or review by the Company's external auditors at any time in the future. Cash balances and activity denominated in foreign currencies have been converted to US Dollars.
2. Beginning and ending balances include cash in demand-deposit accounts (DDA), money-market funds (MMF), treasury bills and other investments.
3. Beginning and ending cash balances are based on preliminary closing numbers and are subject to adjustment.
4. Beginning and ending cash and investment balances exclude the following:
 - Cash posted as collateral for hedging activity;
 - Cash related to LBHI's wholly-owned indirect subsidiary Aurora Bank FSB; and
 - Cash held at real estate owned properties or at third party managers.
5. To facilitate making Plan Distributions to creditors on October 1, 2012, on September 27th 2012, the Debtors (a) made distributions to Allowed Claims of Debtors and certain Debtor-Controlled Entities and (b) transferred Plan Adjustments from Participating Subsidiary Debtors to LBHI on account of Distributions that would be made to holders of Allowed Claims. Additional Plan Distributions were made on October 1, 2012 and will be disclosed in the October 2012 Post-Effective Operating Report.

6. Restricted cash balances are based on preliminary estimates as of September 30, 2012, except for Reserves for Claims which are reflected after giving effect to the October 1st distribution:

(\$ in millions)	Debtors					Debtor- Controlled Entities	Total Debtors and Debtor- Controlled Entities
	LBHI	LBSF	LCPI	Other	Total		
Reserves for Claims:							
Disputed unsecured claims	\$ 2,010	\$ 2,235	\$ 64	\$ 1,500	\$ 5,809	\$ -	\$ 5,809
Priority tax claims	2,827	117	0	5	2,949	-	2,949
Distributions on Allowed Claims (not remitted) ⁽¹⁾	140	138	152	8	437	-	437
Secured, Admin, Priority Claims and Other ⁽²⁾	1,548	71	69	32	1,719	-	1,719
Subtotal, Claims Reserves	6,524	2,560	285	1,544	10,914	-	10,914
Cash pledged to JPMorgan (CDA) ⁽³⁾	316	-	6	-	323	-	323
Citigroup and HSBC ⁽⁴⁾	2,037	-	-	-	2,037	-	2,037
Woodlands and LB Bancorp ⁽⁵⁾	-	-	-	-	-	541	541
Other ⁽⁶⁾	227	77	48	31	383	98	482
Total	\$ 9,104	\$ 2,637	\$ 340	\$ 1,576	\$ 13,657	\$ 639	\$ 14,296

Totals may not foot due to rounding.

- (1) Represents distributions to creditors of Allowed Claims that were not paid related to the first distribution on April 17, 2012 and the second distribution on October 1, 2012. The \$437 million is comprised of approximately \$170 million related to claimants who failed to submit the proper taxpayer identification number forms and/or Office of Foreign Asset Control ("OFAC") forms and approximately \$230 million for distributions held pending resolution on various items described in settlement agreements with certain Non-Controlled Affiliates.
- (2) Includes approximately \$1.2 billion reserved at LBHI for a disputed claim of the Federal Home Loan Mortgage Corporation that was asserted with priority status.
- (3) Represents \$323 million of cash deposited into accounts by LBHI and LCPI and pledged to JPMorgan ("JPM") pursuant to paragraph 6(b) of the Collateral Disposition Agreement ("CDA") with JPM effective March 31, 2010; related to, but not limited to, contingent letters of credit exposures, clearance exposures and derivative exposures, pending resolution of these items.
- (4) Represents cash deposited on or prior to September 15, 2008 by the Company in connection with certain requests and/or documents executed by the Company and Citibank N.A. of approximately \$2 billion and HSBC Bank PLC of \$30 million, including interest earned thereon.
- (5) Represents cash at Woodlands Commercial Corporation ("Woodlands") of \$506 million and its parent company, Lehman Brothers Bancorp Inc., a savings and loan holding company, of \$35 million, subject to various regulations and supervision by the Federal Reserve Board of Governors.
- (6) Other includes (i) various pre-petition balances on administrative hold by certain financial institutions of \$104 million; (ii) asserted misdirected wires and other cash received by LBHI for the benefit of third parties and Non-Controlled Affiliates of approximately \$112 million; (iii) cash collected by LBSF on derivative trades which collateralize certain notes of approximately \$77 million; (iv) cash collected in previous months by LCPI on behalf of a third party for \$40 million related to a loan participation agreement; (v) net cash collections on assets reported on the books of LBHI and LCPI related to Intercompany-Only Repurchase transactions of approximately \$12 million; (vi) cash received by LBHI related to securities transferred to LBHI under the CDA with JPM of approximately \$12 million; and (vii) other cash required to be restricted by various agreements of \$125 million.

Restricted cash balances do not include cash required for operating expenses, asset preservation and other commitments (e.g. unfunded loans or anticipated investments).

LEHMAN BROTHERS HOLDINGS INC. and other Debtors and Debtor-Controlled Entities
Summary Schedule of Cash Receipts and Disbursements
September 1, 2012 - September 30, 2012

Unaudited (\$ in millions, foreign currencies reflected in USD equivalent)

	Debtors					Debtor-Controlled Entities				Total Debtors and Debtor-Controlled Entities
	LBHI	LBSF	LCPI	Other	Total	LB1 Grp	PAMI	Other	Total	
Beginning Free Cash and Investments (9/1/12)	\$ 4,748	\$ 1,316	\$ 2,602	\$ 401	\$ 9,067	\$ 108	\$ 34	\$ 1,356	\$ 1,498	\$ 10,565
Restricted Cash	8,770	2,169	370	1,656	12,966	-	-	588	588	13,554
Beginning Total Cash and Investments	13,518	3,486	2,972	2,057	22,033	108	34	1,945	2,086	24,119
Sources of Cash										
Commercial Real Estate	18	-	374	0	392	-	15	54	69	461
Loans (Corporate and Residential)	8	-	27	-	36	-	0	1	1	37
Private Equity / Principal Investing	5	-	22	-	27	36	-	163	199	226
Derivatives	7	103	0	11	121	-	-	0	0	121
Receipts from Affiliates	3,102	236	69	66	3,473	-	-	179	179	3,652
Other	28	0	(5)	1	24	0	0	2	2	26
Total Sources of Cash	3,169	339	487	77	4,072	36	15	399	450	4,523
Uses of Cash										
Non-Operating										
Commercial Real Estate	(0)	-	(9)	-	(9)	-	(5)	(3)	(9)	(18)
Loans (Corporate and Residential)	(0)	-	(29)	-	(29)	-	-	(0)	(0)	(29)
Private Equity / Principal Investing	-	-	-	-	-	(0)	-	(21)	(21)	(21)
Derivatives	(0)	(1)	-	-	(1)	-	-	-	-	(1)
Payments to Creditors	(209)	(366)	(2,395)	(302)	(3,272)	-	-	(2)	(2)	(3,275)
Other	(2)	-	(1)	(0)	(3)	-	-	(1)	(1)	(4)
Operating Expenses	(20)	(0)	(0)	(0)	(20)	(0)	(0)	(13)	(13)	(34)
Total Uses of Cash	(231)	(367)	(2,434)	(302)	(3,335)	(0)	(6)	(41)	(47)	(3,381)
Net Cash Flow	2,937	(28)	(1,947)	(225)	738	36	9	358	404	1,141
Inter-Company Transfers, Net	210	2	122	0	334	0	1	(335)	(334)	0
Transfers from (to) Securitization Trustee	36	-	(32)	-	4	-	-	-	-	4
Loan Agencies, Net	(0)	-	1	-	1	-	-	-	-	1
FX Fluctuation	(3)	0	0	-	(2)	-	-	3	3	1
Ending Total Cash and Investments	16,699	3,459	1,116	1,833	23,107	144	44	1,970	2,158	25,265
Restricted Cash	(9,104)	(2,637)	(340)	(1,576)	(13,657)	-	-	(639)	(639)	(14,296)
Ending Free Cash and Investments (9/30/12)	\$ 7,595	\$ 822	\$ 776	\$ 257	\$ 9,450	\$ 144	\$ 44	\$ 1,332	\$ 1,519	\$ 10,969

All values that are exactly zero are shown as "-". Values between zero and \$0.5 million appear as "0".
Totals may not foot due to rounding.

LEHMAN BROTHERS HOLDINGS INC. and other Debtors and Debtor-Controlled Entities
Schedule of Cash Receipts and Disbursements
September 1, 2012 - September 30, 2012

Unaudited (\$ in millions, foreign currencies reflected in USD equivalents)

	Debtors					Debtor-Controlled Entities				Total Debtors and Debtor- Controlled Entities
	LBHI	LBSF	LCPI	Other	Total	LB1 Grp	PAMI	Other	Total	
Beginning Free Cash and Investments (9/1/12)	\$ 4,748	\$ 1,316	\$ 2,602	\$ 401	\$ 9,067	\$ 108	\$ 34	\$ 1,356	\$ 1,498	\$ 10,565
Restricted Cash	8,770	2,169	370	1,656	12,966	-	-	588	588	13,554
Beginning Total Cash and Investments	13,518	3,486	2,972	2,057	22,033	108	34	1,945	2,086	24,119
Sources of Cash										
Commercial Real Estate										
Principal	(a) 16	-	371	0	387	-	14	54	68	454
Interest	2	-	3	-	5	-	1	1	2	7
Loans (Corporate and Residential)										
Principal	(b) 6	-	20	-	27	-	0	0	0	27
Interest	2	-	7	-	9	-	0	1	1	10
Private Equity / Principal Investing										
Principal	(c) 5	-	19	-	25	36	-	162	199	223
Interest and Dividends	0	-	2	-	2	-	-	0	0	3
Derivatives										
Return / (Posting) of Hedging Collateral, net	-	45	-	(1)	45	-	-	-	-	45
Collections from Live / Terminated Trades	(d) 7	56	0	11	75	-	-	0	0	75
Other	-	1	-	-	1	-	-	-	-	1
Receipts from Affiliates										
Distributions from Non-Controlled Affiliates	(e) 533	-	-	-	533	-	-	-	-	533
Plan Distributions from Debtors	(f) 2,569	236	69	66	2,940	-	-	179	179	3,119
Other										
Interest	(g) 11	0	8	1	20	0	0	1	1	21
Other	17	-	(13)	0	4	-	-	1	1	5
Total Sources of Cash	3,169	339	487	77	4,072	36	15	399	450	4,523

All values that are exactly zero are shown as "-". Values between zero and \$0.5 million appear as "0".
Totals may not foot due to rounding.

LEHMAN BROTHERS HOLDINGS INC. and other Debtors and Debtor-Controlled Entities
Schedule of Cash Receipts and Disbursements
September 1, 2012 - September 30, 2012

Unaudited (\$ in millions, foreign currencies reflected in USD equivalents)

		Debtors				Debtor-Controlled Entities				Total Debtors and Debtor-Controlled Entities
		LBHI	LBSF	LCPI	Other	Total	LB1 Grp	PAMI	Other	Total
Uses of Cash										
Non-Operating										
Commercial Real Estate										
Preservation of Assets		(0)	-	(9)	-	(9)	-	(5)	(3)	(9)
Loans (Corporate and Residential)										
Preservation of Assets		(0)	-	(29)	-	(29)	-	-	(0)	(0)
Private Equity / Principal Investing										
Capital Calls		-	-	-	-	-	(0)	-	(21)	(21)
Derivatives										
Payments on Live Trades		(0)	(1)	-	-	(1)	-	-	-	-
Payments to Creditors(Secured and Administrative)										
Plan Distributions	(h)	(209)	(366)	(2,395)	(302)	(3,272)	-	-	(0)	(0)
Payments to Creditors - Non Controlled Affiliates		-	-	-	-	-	-	-	(2)	(2)
Other										
Other		(2)	-	(1)	(0)	(3)	-	-	(1)	(1)
Operating Expenses	(i)									
Compensation and Benefits	(j)	(8)	-	-	-	(8)	-	-	(3)	(3)
Professional Fees		(8)	(0)	(0)	-	(8)	-	-	(0)	(0)
Other	(k)	(4)	(0)	(0)	(0)	(5)	(0)	(0)	(10)	(15)
Total Uses of Cash		(231)	(367)	(2,434)	(302)	(3,335)	(0)	(6)	(41)	(47)
Net Cash Flow		2,937	(28)	(1,947)	(225)	738	36	9	358	404
Inter-Company Receipts	(l)	240	2	123	0	366	0	1	38	39
Inter-Company Disbursements	(m)	(30)	(0)	(1)	-	(31)	-	-	(374)	(374)
Transfers from (to) Securitization Trustee	(n)	36	-	(32)	-	4	-	-	-	4
Loan Agencies, Net		(0)	-	1	-	1	-	-	-	1
FX Fluctuation		(3)	0	0	-	(2)	-	-	3	1
Ending Total Cash and Investments	(o)	16,699	3,459	1,116	1,833	23,107	144	44	1,970	2,158
Restricted Cash	(p)	(9,104)	(2,637)	(340)	(1,576)	(13,657)	-	-	(639)	(639)
Ending Free Cash and Investments (9/30/12)		\$ 7,595	\$ 822	\$ 776	\$ 257	\$ 9,450	\$ 144	\$ 44	\$ 1,332	\$ 1,519

All values that are exactly zero are shown as "-". Values between zero and \$0.5 million appear as "0".
Totals may not foot due to rounding.

LEHMAN BROTHERS HOLDINGS INC. and other Debtors and Debtor-Controlled Entities
Schedule of Cash Receipts and Disbursements
September 1, 2012 - September 30, 2012

Unaudited (\$)

Notes:

- (a) Includes cash received on Commercial Real Estate loans and other Commercial Real Estate assets primarily related to the repayment in full of the Irvine MF Corp loan for \$201 million and TPG Austin loan for \$181 million. Approximately \$127 million of the TPG Austin proceeds were used to pay down the Spruce Securitization mezzanine notes held by LBHI for \$36 million and a portion of the subordinated notes held by LCPI for \$91 million. Refer to footnote (n) for additional information about the Spruce Securitization.
- (b) Primarily includes cash received from sales of assets and principal pay downs related to Corporate Loans and Residential Real Estate assets.
- (c) Primarily includes \$150 million that was released by a non-controlled affiliate broker dealer (LBIE) to a Debtor-Controlled entity related to the sale of GLG Partners.
- (d) Includes collections on live and terminated trades, net of purchases of SPV notes.
- (e) Related to creditor distribution from LB UK RE Holdings Ltd. Approximately \$313 million of the proceeds are being held by LBHI for the benefit of other Debtor-Controlled Entities.
- (f) To facilitate making Plan Distributions to creditors on October 1, 2012, on September 27, 2012, the Debtors (a) made Distributions to Allowed Claims of Debtors and certain Debtor-Controlled Entities and (b) transferred Plan Adjustments from Participating Subsidiary Debtors to LBHI on account of Distributions that would be made to holders of Allowed Claims. Additional Plan distributions were made on October 1, 2012.
- (g) Includes interest collected on short term investments, net of purchased interest, and amortization on treasury investments.
- (h) To facilitate making Plan Distributions to creditors on October 1, 2012, on September 27, 2012, the Debtors (a) made Distributions to Allowed Claims of Debtors and certain Debtor-Controlled Entities and (b) transferred Plan Adjustments from Participating Subsidiary Debtors to LBHI on account of Distributions that would be made to holders of Allowed Claims. In addition, Plan Distributions include payments to Allowed Secured and Administrative Claims that were made in month of September. Additional Plan distributions were made on October 1, 2012.
- (i) A portion of the Operating Expenses paid by LBHI is subject to allocations to, and reimbursement from, various Controlled Entities.
- (j) Compensation and Benefits includes Company's employees expenses as well as fees paid to Alvarez & Marsal as interim management.
- (k) Primarily includes expenses related to outsourced services and IT, occupancy, taxes, insurance and other operating disbursements.
- (l) Inter-Company receipts of \$366 million at Debtors includes cash received from Debtor-Controlled Entities for partial repayment of intercompany balances, dividend distributions, and other administrative activity.
- (m) Inter-Company disbursements of \$31 million at Debtors is primarily due to disbursements made on behalf of Debtor-Controlled Entities related to capital calls.
- (n) Includes cash outflows to the Spruce and Verano Securitization Trustee for proceeds received on underlying collateral, netted against any receipts for pay downs and interest on the Spruce and Verano notes. Cash collections on the underlying collateral are presented in "Sources of Cash" in Loans (Corporate and Residential). During the month of September, the Spruce mezzanine notes held by LBHI were paid in full which resulted in the ability to terminate the Spruce Securitization structure. Future proceeds resulting from the liquidation of underlying assets will go directly to LCPI.
- (o) Other Debtor-Controlled Entities - Other Ending Cash and Investments at September 30, 2012 includes \$654 million of cash balances at Controlled Entities in Asia.
- (p) The increase in restricted cash balance for \$742 million primarily related to an increase in disputed unsecured claims reserves for \$1,397 million partially offset by a decrease in reserves for (i) allowed claims not remitted for \$429 million and (ii) secured, administrative and priority claims for \$262 million. Reserves for claims as of September 30, 2012 are reflected after giving effect to the October 1st Plan distribution.

**LEHMAN BROTHERS HOLDINGS INC. ("LBHI") AND OTHER DEBTORS AND DEBTOR-
CONTROLLED ENTITIES**

**BASIS OF PRESENTATION
SCHEDULE OF PROFESSIONAL FEE AND EXPENSE DISBURSEMENTS
FROM SEPTEMBER 15, 2008 TO SEPTEMBER 30, 2012**

The information and data included in this September 2012 Post-Effective Operating Report (the "Operating Report") are derived from sources available to Lehman Brothers Holdings Inc. ("LBHI"), as Plan Administrator and its Controlled Entities (collectively, the "Company"). The term "Controlled Entities" refers to those entities that are directly or indirectly controlled by LBHI, and excludes, among others, those entities that are under separate administrations in the United States or abroad, and Aurora Bank FSB, which is indirectly controlled by LBHI. LBHI and certain of its Controlled Entities had filed for protection under Chapter 11 of the Bankruptcy Code, and those entities are referred to herein as the "Debtors". The Debtors' Chapter 11 cases have been consolidated for procedural purposes only and are being jointly administered pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure. LBHI has prepared this Operating Report, including certain information as required by the Office of the United States Trustee, based on the information available to LBHI at this time, but note that such information may be incomplete and may be materially deficient in certain respects. This Operating Report is not meant to be relied upon as a complete description of the Debtors, their business, condition (financial or otherwise), results of operations, prospects, assets or liabilities. LBHI reserves all rights to revise this report.

1. This Operating Report is not prepared in accordance with U.S. generally accepted accounting principles (GAAP), is not audited and will not be subject to audit or review by the Company's external auditors at any time in the future.
2. The professional fee disbursements presented in this report reflect the date of actual cash payments to professional service providers. The Company has incurred additional professional fee expenses during the reporting period that will be reflected in future Operating Reports as cash payments are made to providers.
3. The professional fee disbursements presented in this report have primarily been paid by LBHI; a portion of these fees have been and will be allocated to Debtors and certain Controlled Entities based on the dedicated costs associated with each entity and an allocation methodology.
4. This Operating Report includes disbursements for services rendered on or prior to March 6, 2012 ("Pre-Effective Date") and subsequent to March 6, 2012 ("Post-Effective Date"). Professional fees incurred Post-Effective Date are paid in accordance with the terms of the engagement of each professional as agreed to with LBHI, as Plan Administrator.

LEHMAN BROTHERS HOLDINGS INC. and Other Debtors and Other Controlled Entities
Schedule of Professional Fee and Expense Disbursements
For Services Rendered Pre-Effective Date
September 2012 (a)

Unaudited (\$ in thousands)		For services rendered Pre-Effective Date	
		Sept-2012	Sept-2008 Through Sept-2012
Debtors - Claims and Noticing Agent			
Epiq Bankruptcy Solutions LLC	Claims Management and Noticing Agent	\$ -	\$ 28,773
Debtors - Section 363 Professionals			
Alvarez & Marsal LLC	Interim Management	-	535,520
Debtors - Section 327 Professionals			
Akerman Senterfit	Special Counsel - Mortgage Litigation and Claims	-	26
Bingham McCutchen LLP	Special Counsel - Tax	231	24,199
Bortstein Legal LLC	Special Counsel - IT and Other Vendor Contracts	13	4,144
Clyde Click, P.C.	Special Counsel - Real Estate	-	363
Curtis, Mallet-Prevost, Colt & Mosle LLP	Special Counsel - Conflicts	-	50,166
Dechert LLP	Special Counsel - Real Estate	-	7,736
Deloitte LLP	Tax Services	-	924
Discover Ready LLC	eDiscovery Services	-	15,007
Ernst & Young LLP	Audit and Tax Services	-	1,734
Foster, Graham, Milstein & Calisher, LLP	Special Counsel - Mortgage Litigation and Claims	-	819
Fried, Frank, Harris, Shriver & Jacobson LLP	Special Counsel - Real Estate	-	421
Gibson Dunn & Crutcher LLP	Special Counsel - Real Estate	-	3,670
Gleacher	Financial Advisor	-	6,195
Hardinger & Tenenholz LLP	Special Counsel - Discovery	-	194
Hudson Global Resources	Contract Attorneys	-	11,789
Jones Day	Special Counsel - Asia and Domestic Litigation	-	65,697
Kasowitz, Benson, Torres & Friedman	Special Counsel - Litigation	160	2,687
Kleyr Grasso Associates	Special Counsel - UK	29	1,078
Kramer Levin Naftalis and Frankel LLP	Special Counsel - Employee Matters	-	197
Krebsbach & Snyder, P.C.	Special Counsel - Litigation	57	598
Lazard Freres & Co.	Investment Banking Advisor	-	31,773
Locke Lord Bissell & Liddell LLP	Special Counsel - Mortgage Litigation and Claims	-	1,668
McKenna Long & Aldridge LLP	Special Counsel - Commercial Real Estate Lending	16	5,851
MMOR Consulting	Tax Services	-	1,012
Momo-o, Matsuo & Namba	Special Counsel - Asia	-	674
Moulton Bellingham P. C.	Special Counsel - Mortgage Litigation and Claims	-	691
O'Neil Group	Tax Services	-	3,288
Pachulski Stang Ziehl & Jones	Special Counsel - Real Estate	-	5,219
Paul, Hastings, Janofsky & Walker LLP	Special Counsel - Real Estate	-	3,460
Pricewaterhouse Coopers LLP	Tax Services	-	2,531
Reed Smith LLP	Special Counsel - Insurance	-	1,235
Reilly Pozner LLP	Special Counsel - Mortgage Litigation and Claims	150	9,113
Simpson Thacher & Bartlett LLP	Special Counsel - SEC Reporting, Asset Sales, and Congressional Testimony	-	2,820
SNR Denton LLP	Special Counsel - Real Estate	-	2,524
Sutherland LLP	Special Counsel - Tax	-	969
Weil Gotshal & Manges LLP	Lead Counsel	-	419,228
Windels Marx Lane & Mittendorf, LLP	Special Counsel - Real Estate	-	3,403
Wollmuth Maher & Deutsch LLP	Special Counsel - Derivatives	-	1,951
Creditors - Section 327 Professionals			
FTI Consulting Inc.	Financial Advisor	-	89,670
Houlihan Lokey Howard & Zukin Capital Inc.	Investment Banking Advisor	-	17,410
Milbank Tweed Hadley & McCloy LLP	Lead Counsel	-	140,320
Quinn Emanuel Urquhart Oliver & Hedges LLP	Special Counsel - Conflicts	895	35,803
Richard Sheldon, Q.C.	Special Counsel - UK	-	378
Examiner - Section 327 Professionals			
Duff & Phelps LLC	Financial Advisor	-	43,210
Jenner & Block LLP	Examiner	-	59,454
Fee Examiner			
Godfrey & Kahn, S.C.	Fee Examiner (Current)	-	6,135
Feinberg Rozen LLP	Fee Examiner (Previous)	-	3,158
Brown Greer Plc	Fee and Expense Analyst	-	1,149
Total Non-Ordinary Course Professionals		1,552	1,656,037
Inactive Non-Ordinary Course Professionals		-	17,911
Debtors - Ordinary Course Professionals		-	46,871
Other Professionals		70 (b)	10,438
US Trustee Quarterly Fees		-	1,959
Total Pre-Effective Date Professional Fees and UST Fees		\$ 1,622	\$ 1,733,217

(a) Approximately \$33 million of professional fee and expense related to holdback and final fee applications (excluding Incentive Fees) have not yet been approved by the fee examiner.
(b) Includes disbursements to various professionals not subject to court retention.

LEHMAN BROTHERS HOLDINGS INC. and Other Debtors and Other Controlled Entities
Schedule of Professional Fee and Expense Disbursements
For Services Rendered Post-Effective Date
September 2012 (a)

Unaudited (\$ in thousands)		For services rendered Post-Effective Date	
		March 7, 2012 -	
		Sept-2012	Sept-2012
Alvarez & Marsal LLC	Interim Management	\$ 5,950	\$ 32,839
Professional Fees			
Bingham McCutchen LLP	Special Counsel - Tax	2,557	3,177
Epiq Bankruptcy Solutions LLC	Claims Management and Noticing Agent	-	3,260
FTI Consulting Inc.	Financial Advisor - Creditors	-	384
Houlihan Lokey Howard & Zukin Capital Inc.	Investment Banking Advisor	-	441
Jones Day	Special Counsel - Asia and Domestic Litigation	2	202
Lazard Freres & Co.	Investment Banking Advisor	-	150
Milbank Tweed Hadley & McCloy LLP	Lead Counsel - Creditors	-	2,626
Pachulski Stang Ziehl & Jones	Special Counsel - Real Estate	-	342
Skadden, Arps, Slate, Meagher & Flom LLP	Board of Directors Counsel	-	958
Weil Gotshal & Manges LLP	Lead Counsel - Debtors	-	5,436
Wollmuth Maher & Deutsch LLP	Special Counsel - Derivatives	7	935
US Trustee Quarterly Fees		-	302
Other Professionals - Legal	Various	2,900	15,490 (b)
Other Professionals - Non-Legal	Various	877	4,630 (b)
Other Professionals - Asia	Various	267	1,513 (b)
Sub-total Professional Fees		6,609	39,847
Total Post-Effective Date Professional Fees - Including Alvarez & Marsal		\$ 12,559	\$ 72,686

(a) Additional professional fee expenses have been incurred and the related invoices are under review by the Company; these expenses will be reflected in future Operating Reports as payments are made to professionals.

(b) Includes disbursements to over 100 vendors of which the majority of these payments were less than \$150,000.